



Office Locations:
Burlington, Randolph,
Rutland, Springfield

VERMONT MANUFACTURING EXTENSION CENTER (VMEC) Serving firms throughout the state through 4 regional offices. VMEC's headquarters is located on the campus of Vermont Technical College in Randolph Center. Three additional offices are located at the Regional Development Corporation offices in Burlington, Rutland, and Springfield. Contact: Bob Zider, PO Box 500, c/o Vermont Technical College, Randolph Center, VT 05061, (802) 728-1432, Fax: (802) 728-1456, Email: vmec@vmec.org, Website: <http://www.vmec.org/>

THE MANUFACTURING EXTENSION PARTNERSHIP IN VERMONT

Manufacturing Extension Partnership (MEP) is a nationwide system of services and support for smaller manufacturers to become more globally competitive. At the heart of the system is a network of affiliated, locally-based manufacturing extension centers. Each center, like VMEC, is a partnership, typically involving federal, state, and local governments; industry; educational institutions; and other sources of expertise, information and funding support.

COMPANY CLIPS

Lovejoy Tool Company Crafts Early Successes From Lean Implementations

Lovejoy Tool Company, located in Springfield, is a manufacturer of insert milling cutters and support hardware. Established in 1916, the company employs 87 people. When the economy of the region and, more specifically, the machine tool industry began to experience significant slow downs, the company faced the challenges of an aging workforce, high inventory levels, and process waste. The prospects didn't look good. Lovejoy contacted the Vermont Manufacturing Extension Center (VMEC) for assistance.

VMEC and the team at Lovejoy realized they could work smarter, not harder, and get better results. Recognizing the value of intensive training, over 90 percent of the employees encompassing management and workforce completed the Lean 101 training program. In addition, key personnel participated in a number of VMEC public workshops, including Set-up Reduction, Cellular Flow Manufacturing, Change Management, and 5S Systems. The team as a whole then applied this training through a process of mapping three separate value streams within the organization.

The benefits of these company-wide lean initiatives are both tangible and intangible. Efforts to move from the current state (May 2001) to future state (May 2002) have seen inventory reduced by nearly \$400,000. In addition, the team has reduced batch sizes and work-in-process (WIP), and implemented better methods for managing raw materials and finished goods. Ultimately, the implementation and ongoing efforts in lean have allowed Lovejoy Tool to maintain a positive cash balance in a time when sales have not grown significantly.

Continued

STATE STATS

DATA* COVERS JANUARY TO DECEMBER 2001

Number of projects completed
with firms
44

Number of firms served
55

Number of firms served for
the first time
9

Federal cost share for current
operating year
\$396,500

State/other cost share for current
operating year
\$793,000

**Data as reported from center*

DATA** COVERS JANUARY TO DECEMBER 2001

Increased sales & retained sales
\$4,541,500

Client capital investment
\$7,014,500

Total cost savings
\$3,674,000

Jobs (created & retained)
60

***Source: Independent client impact survey*



Ascension Technology Moves Toward High Performance

Ascension Technology Corporation (ATC) is a manufacturer of motion tracking systems located in Burlington. A one-man company when it was first established in 1986, it has since grown to include a team of 40 employees. Unfortunately, the company has had difficulty achieving its growth plans in the last few years as it focused on developing its manufacturing capabilities. Excessive inventory levels and increasing demand on manufacturing systems, including multiple products and configurations, began to have a negative impact on both the company's financial health and accuracy of lead times quoted to customers. By December 2001, the company needed outside assistance. It contacted the Vermont Manufacturing Extension Center (VMEC) for help.

When VMEC met with ATC management, the company indicated its desire to become a high-performance company. This goal required a corporate transformation, involving manufacturing, research and development, and administration. VMEC drafted a comprehensive plan and began the company's journey toward transformation with several lean manufacturing training and implementation initiatives. These included a value stream map of the manufacturing floor, lean training, 5S training and implementation, cell design and implementation, and setup reduction activities. During the implementation process, ATC personnel redesigned their own work areas into cell configurations, constructed new inventory control and replenishment systems, and addressed significant quality issues.

Led by VMEC, ATC improved its lead times from between two and six weeks to three days and reduced its inventory by 10 percent. The company adopted the ATOM-SME product development software package, and reduced waste in the order process. More importantly, the company has transformed its philosophy to allow customer demand to drive manufacturing output.